Organizational Culture and its Impact on Human Resource Management Practices Globally

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The role of organizational culture is to control the ways of employees' conduct and behavior within and outside the organization, such that the organizational culture determines how an employee will interact in his working place. Therefore a healthy culture of an organization encourages the loyalty and motivation of the employees. It also promotes, among employees, a healthy relationship and competition among themselves. It impacts by predefining the strategies and policies for guiding the employees and providing them a sense of direction. Consequently, in global markets due to changing circumstances in a highly competitive economic market, the organizational and human resource management strategies give an edge to the organization. Thus, progressive HRM practices provide increased functional and financial products to the organization. Culture in an organization defines the effectiveness of these HRM practices, examples include employee and/or management development, recruitment and hiring, performance reviews, compensation, promotions, and benefits. This essay will explore the role of organizational culture on the HRM practices of recruitment and hiring and compensation system in a global organization.

The global organizations require proper management of companies at three distinct places; home, host and third country. National cultural disparities are considered while determining culture in an organization, so proper understanding of various cultures is required at the global level of business. Generally, the organizational structure is affected by the determined culture. It additionally affects the style of recruitment, training and the ways through which employees get the wages and rewards (The Economist Intelligence Unit Limited, 2015). These practices are designed in a way to enhance the abilities, skills, effectiveness, commitment, and productivity of the employees. For instance, a selection of employee may base on the chances where it is working in a developed country where the pay chances are enhanced.

The recruitment of a workforce for global organizations is not similar to the local or national organizations. The work environment for the executive sent to international companies faces a culture which is different than his homeland so because of such differences the home nation or the workers of third nation are chosen on the bases of their experience in global business and their capacity of talking in different languages, and the flexibility of their involvement with people and employees of various ethnicity and backgrounds. The people who are known as perfect competitors are the one capable of administrative abilities and obliged to take the proper training for living in a different country and city by learning their language and have versatile features that are required for living a alternate way of life in a host country (Noe et al., 2017).

The training of the employees is needed for meeting cultural and social diversity when the business is directed widely. The basic reason for giving this training is to facilitate workers in obliging to the new culture in a foreign country. The significant parts of the training sessions are cultural familiarity, language, overseeing family and objective setting and coping up with stress (Noe et al., 2017). Cultural competitiveness is essential for achieving a proper place and value in global organization or project, as it will make the employee value the culture and belief system which will further enhance their ability to communicate and interact and flourish the business through these capabilities (Von Glinow., et al 2002). Therefore, the training session of an employ is a must before going on international expeditions, and also for the overall organization which is setting up itself in global markets.

While working in different global parts, the organizations may go for a systematized portion procedure. This suggests paying little heed to the country in which a worker will be given an advantageous compensation. In any case, this procedure neglects the manner in which the business in one country can be expensive when stood out from the other country. Along these lines, relationship when in doubt pays their agents through a banding structure which relies upon various countries. This portion framework is known as a limited portion system. Such practices are used by huge organizations like Kraftwood and Microsoft.

Consequently, there are different reasons that bosses in global companies are seeing that it is hard to keep up inclination sees while cooperating across over social orders. Social learning and an overall focus are basic to suffer and to prosper, inside the present business condition. In any case, a comparable composing does not give an overall focus that comprehends with the overall truth of business. Trade and observational assessment of culture and human resource the board practices has been focused on unequivocally made countries and making countries have been given little thought (Adekola, and Sergi, 2016).

Hence, the essay explored the role of organizational culture on the HRM practices of recruitment and hiring and compensation system in a global organization. It discussed the ways in which an organization’s culture defines the effectiveness of its HRM practices. Generally, the organizational structure is affected by the determined culture. Cultural competitiveness is essential for achieving a proper place and value in global organization or project. It also focused on the ways of recruitment of a workforce for global organizations which is not similar to the national organizations. Also, the training of the employees is needed for meeting cultural and social diversity when the business is directed widely. The training session of an employ is a must before going on international expeditions, and also for the overall organization which is setting up itself in global markets. Lastly it discussed the compensation and reward system for globally working employees.

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